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TAGS: [ECON](#) [PGOV](#) [IZ](#)
SUBJECT: PM'S CHIEF OF STAFF SUPPORTS JOINT ECONOMIC
TRANSITION PLAN

Classified By: Deputy Chief of Mission Daniel V. Speckhard for reasons
1.4 (b) and (d).

¶1. (C) Summary: The Prime Minister's Chief of Staff, Dr. Tariq Abdullah, said he was happy with the overall Joint Economic Transition Plan in a meeting with the Deputy Chief of Mission on January 10. While agreeing with the general framework and broad estimates, Dr. Tariq said that further discussion was necessary to determine the exact dollar amounts of the Iraqi commitments. He also underscored the political sensitivities in Iraq about 'rewarding' Baghdad and Anbar for being dangerous areas. End Summary.

Generally Supportive, Details to be Determined

¶2. (C) Dr. Tariq liked the broad concept of the Joint Plan, and said that the general estimates seemed reasonable. He thought that the detailed numbers, such as the percentage of ministerial budgets planned for Baghdad and Anbar, were roughly reasonable, but they required further discussion, and a finalized Iraqi budget. Some of the estimates, like the 15 percent used to estimate the disbursement of program funds by April 1st, he considered too low. "That would be correct based on our past experience," he said, "but we need to do better this year."

¶3. (C) He also confirmed that the Housing Initiative is moving forward, and said that 500,000 pieces of government land throughout the country have been prepared for distribution. When asked why there was no line item for the program in the budget, he said that the funding is included within allocations in related ministries. He noted the importance of the program to the people in Iraq. (Note: Minister of Finance has told us that the Housing Initiative is not funded, however Dr. Tariq's comments reflect the PM's continued commitment to the initiative. End Note.)

The Iraqi Reaction: Why Reward Insurgents?

¶4. (C) While Dr. Tariq clearly gave his overall approval, he also highlighted the political sensitivity in Iraq regarding the presentation of the plan's focus on Baghdad and Anbar. "Many other areas in Iraq are worse, in terms of available services, after years of neglect by Saddam than these places," he said, "and part of the problem in Anbar is that the insurgents prevent development from happening." The DCM explained the importance of doing everything within our power to support the security efforts in Baghdad and Anbar. "You know the American mind better than I do," Dr. Tariq said, "but if I were American I still wouldn't want to give more money to places that have killed more Americans."

¶5. (C) Dr. Tariq said that this issue had come up in his discussions over the past few days with other Iraqi officials

about the proposal. He feels that it rewards insurgents, and encourages people in other areas to cause problems, as a way to attract attention and resources. The DCM highlighted again that the overall plan was a national plan, and said that the presentation's emphasis on Baghdad and Anbar responded to the interests in highlighting the compliment to the military surge.

Comment

¶6. (C) Dr. Tariq's approval allows for the use of the overall concept and the broad figures in a public discussion of the Joint Economic Transition Plan. He clearly understood that this presentation would be the basis for media outreach in the United States. The emphasis, in the presentation, on resources for Baghdad and Anbar is politically very sensitive among Iraqis, and Dr. Tariq's reservations are not surprising. To the extent possible, within Iraq we should underscore the national character of the Joint Economic Transition Plan.

KHALILZAD